

1465

8 January 1974

MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT : Amendment No. 1 to Project [REDACTED]

1. This amendment requests an additional [REDACTED] for FY 1974, bringing the total for the [REDACTED] Project to [REDACTED]. The increase is to cover the rising dollar costs of [REDACTED] resulting from (a) the post-coup strengthening of the escudo against the dollar and (b) the Chilean government's decision to allow prices to rise to their "true" level, which has increased publication costs 255% in three months.

2. The [REDACTED] Project subsidizes the publication of [REDACTED] in Chile and pays the [REDACTED]

[REDACTED]

have been dropped from the project since the military coup d'etat in September 1973. [REDACTED] of the [REDACTED] supported by [REDACTED] pays more than a very small portion of its expenses through legitimate income.

3. One of the primary justifications for this project is that [REDACTED]

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SECRET

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] the Station believes that should this subsidy be cut off, these [REDACTED] assets would no longer have a reason for working with the Station.

4. [REDACTED] recommends approval of the amendment in the amount requested. We recommend, however, that a deadline be fixed now for sharp reduction of such large financial support. This would permit an orderly phased reduction of our support and would give the multi-faceted propaganda mechanism the opportunity to locate alternate funding sources with or without our assistance. Moreover, should the viability of the mechanism be adversely affected by the reduction of our support, the Station would have ample time to consider other means for continuing its special relationship with the [REDACTED] assets.

Distribution:

C/WHB - 1

VC/WH/ [REDACTED] - 1

WH/ [REDACTED] - 1

WH/ [REDACTED] - 1

[REDACTED]
SECRET